

RESOLUTION NO. 2003-177

RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE EXECUTION  
AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT,  
A BOND PURCHASE AGREEMENT AND AN OFFICIAL STATEMENT,  
AND AUTHORIZING CERTAIN RELATED MATTERS

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WHEREAS, the City of Lodi (the "Participant") is duly organized and existing under the laws of the State of California (the "Law") and is authorized pursuant to the Law to enter into an installment purchase agreement for the purpose of financing and/or refinancing the acquisition and construction of public capital improvements; and

WHEREAS, the Participant desires to enter into one or more Installment Purchase Agreements (the "Installment Purchase Agreement"), by and between the Participant and the California Statewide Communities Development Authority, a joint exercise of powers agency (the "Authority") in order to provide for the financing and/or refinancing of certain public capital improvements, including the financing of capital improvements to the Participant's water system and/or wastewater system (the "Project"); and

WHEREAS, this Governing Board finds that the financing and/or refinancing of the Project results in significant public health benefits, including but not limited to more efficient delivery of service, and that the Project constitutes facilities for the production, storage, transmission, or treatment of water, recycled water, or wastewater; and

WHEREAS, the Participant desires to participate in the Authority's Water and Wastewater Pooled Financing Program, a part of the Authority's economic development financing programs (the "Program") and that the Authority assign the right to receive the Installment Payments under the Installment Purchase Agreement to a trustee (the "Trustee") to be named in a Master Indenture (the "Indenture"), by and between the Authority and the Trustee and that the Authority issue its Revenue Bonds (the "Bonds") to finance and/or refinance the Project pursuant to the Indenture; and

WHEREAS, the Participant desires to participate in conjunction with the parties to that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1998 (the "Agreement"); and

WHEREAS, the Participant proposes to participate in the Program and desires that certain projects to be located within the Participant be financed pursuant to the Program and it is in the public interest and for the public benefit that the Participant do so; and

WHEREAS, in order to authorize the execution of the Installment Purchase Agreement and the preparation of an Official Statement relating to the Bonds (the "Official Statement") and to provide for certain related matters, the Governing Board of the Participant deems it in the best interest of the Participant to adopt this Resolution (the "Resolution");

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE PARTICIPANT, AS FOLLOWS:

Section 1. Execution of the Installment Purchase Agreement and the Bond Purchase Agreement. The City Manager of the Participant or other appropriate officers of the Participant (the "Authorized Officers") are hereby authorized and directed to execute for and on behalf of the Participant the Installment Purchase Agreement, in the form filed with the minutes of this meeting, with such changes therein as the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Authorized Officers are hereby authorized and directed to negotiate and accept on behalf of the Participant the payment terms of the Installment Purchase Agreement and the Bond Purchase Agreement which will reflect the terms of the sale of the Bonds by Henderson Capital Partners, LLC (the "Underwriter"), such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal components of the payments under the Installment Purchase Agreement may not exceed \$5,000,000 for the Project, the Underwriter's discount (without giving effect to any original issue discount) may not exceed 1.25% of the aggregate principal components of the payments under the Installment Purchase Agreement and the average interest rate evidenced thereunder shall not exceed 6.50%. The Authorized Officers are hereby authorized and directed to execute for and on behalf of the Participant a Bond Purchase Agreement containing the final payment terms of the Installment Purchase Agreement and the Bonds in the form filed with the minutes of this meeting, with such changes therein as the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The obligation of the Participant to make the Installment Payments under the Installment Purchase Agreement is a special obligation of the Participant payable solely from the System Net Revenues (as defined under the Installment Purchase Agreement), and does not constitute a debt of the Participant or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction. The Participant shall not be obligated to make payments to cover the shortfall in payments of any other participant in the Program.

Section 2. Authorization of Preliminary Official Statement, Execution of Final Official Statement, Execution of Continuing Disclosure Certificate. The Participant hereby approves the form of the preliminary Official Statement (the "Preliminary Official Statement") relating to the Bonds. The Authorized Officers are hereby authorized to certify that said Preliminary Official Statement, is as of its date "deemed final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authorized Officers are hereby authorized and directed to execute for and on behalf of the Participant a final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes therein (and additions thereto to reflect the terms of the sale of the Bonds) as the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Authorized Officers are hereby authorized and directed to execute for and on behalf of the Participant a Continuing Disclosure Certificate, in the form filed with the minutes of this meeting, with such changes therein as the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. JPA Matters. The City hereby approves the Project and the Authority as issuer of the Bonds to finance the Project pursuant to Section 9 of the Agreement.

Section 4. Appointment of the Professionals. Henderson Capital Partners is hereby confirmed and appointed as the Participant's underwriter in connection with the financing authorized by this Resolution. Hawkins, Delafield & Wood is hereby confirmed as the bond counsel in connection with the Bonds.

Section 5. Other Actions Authorized. The Authorized Officers and such other proper officers of the Participant are hereby authorized to take all actions and execute any and all documents described in this Resolution and otherwise necessary or desirable to effect the execution and delivery of the Installment Purchase Agreement and to make any changes to the forms of the legal documents approved in this Resolution as necessary or desirable to comply with the terms of municipal bond insurance; to change the dates and the percentages in the rate covenant and additional debt test contained in any documents approved at this meeting from the dates and percentages on the forms submitted to this meeting; and to do any and all things

and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the execution and delivery of the Installment Purchase Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Installment Purchase Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Certificate. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved. The Authorized Officers are further authorized to take all actions and execute any and all documents necessary or desirable to refund, defease, redeem and otherwise provide for the payment of any of the Participant's outstanding obligations, if any, which are to be refinanced in connection with the execution of the Installment Purchase Agreement. Further, if the Participant is not already a member of the Authority, the Participant shall become so and Participant staff is authorized to take such actions and execute such documents as are necessary or desirable for the Participant to become a member of the Authority. The Authorized Officers are authorized to substitute a non-profit corporation or joint powers authority for the Authority in connection with the transaction authorized in this Resolution on the advice of bond counsel.

Dated: September 17, 2003

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I hereby certify that Resolution No. 2003-177 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 17, 2003 by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Howard, Land,  
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON  
City Clerk